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## Taiwan

### Retail Food Sector

### Retail Private Label

### 2005

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**Report Highlights:**

Retail private label products are increasing in popularity in Taiwan.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Taipei ATO [TW2]  
[TW]

Local *Taipei Times* quoted ACNielsen's market research and reported:

"Two-thirds of consumers world-wide consider supermarket own, or "private label," brands to be a good alternative to bigger brands, appreciating their affordable prices and good quality, according to a global consumer study released recently by market research and information company ACNielsen.

However, the figures for Taiwan appear to buck the trend as 76 percent of local respondents said they didn't know enough about the private labels to want to try them, and only 27 percent agreed that the quality of most supermarket own-brand products is comparable to that of more well-known brands.

The research house interpreted the results as presenting a big opportunity for retailers to develop this niche market.

Oliver Rust, Executive Director of Retail Measurement Services at ACNielsen Taiwan, suggested that retailers invest in consumer education to provide them with ample information about private labels, so as to enhance their trust in these own-brand products.

The survey polled over 21,100 respondents in 38 markets in Europe, Asia-Pacific, North American, Latin America, and South Africa, asking consumers what they thought about supermarket own-brands as an alternative to other brands in terms of their quality, value for money, packaging, and positioning.

The top 10 countries rating supermarket labels the highest were all European – not surprising given the strong discounter presence there - led by the Netherlands (91 percent), Portugal (89 percent), and Germany (88 percent)

At the other end of the scale, eight of the bottom 10 hailed from Asia, with Japanese and Malaysian consumers (35 percent) in least agreement that private labels were a good alternative to other brands.

As competition intensifies in-store and the perceived quality gap narrows between own and well-known brands, retailers appear to have ratcheted up the quality of their packaging. When asked, an average of 42 percent of consumers disagreed that private label products had cheap, off-putting packaging." End report.

In Taiwan, "private label" brand has become a trend. To offer differentiation and to increase markups, many of Taiwan's retail chains, including 7-Eleven, Auchan RT Mart, Carrefour, Wellcome, Aimai Geant, and Costco are aggressively expanding and promoting private label products (both imported and domestically produced). As the average selling price of private label products is 10-40% lower than branded items, they are increasing in popularity in the market. Industry sources estimate that currently private label products account for an average of 5 percent of the revenue of a retail food chain in Taiwan, adding that 10 percent is their common short-term target.